

UNITED STATES GOVERNMENT

~~SECRET~~ **CONFIDENTIAL***Memorandum*

TO : Chief, Administrative Staff/OL

DATE: JAN 18 1963

FROM : Chief, Procurement Division/OL

SUBJECT: Report of Objectives and Accomplishments

1. Replying to your memorandum of 26 December 1962, subject as above, the following presents the status of the several items, keyed to the same paragraph numbering:

*26*  
 a. (1) Expansion of the scope of covert procurement activities was an objective predicated upon the expectation that the volume of requirements to be procured by Sterility Code 2 methods would show a growth comparable to that experienced in the Procurement Division as a whole. This growth did not materialize but the volume did remain approximately equal to previous years.

*Acconf*  
 (2) However, an important additional facility for SC-2 procurement was developed by the Chief, Procurement Division as Case Officer for Project [redacted]

[redacted]  
 requirements. One very important procurement of this type has already arisen and has been successfully and expeditiously completed.

[redacted]  
 (4) Initial steps incorporating a successor company [redacted] for handling SC-2 contractual requirements have been taken.

*27*  
*Acconf*  
 b. This objective was adequately met by reason of the fact that the volume of procurement by advertising and solicitation for bids increased from \$241,890 during the first six months of FY 1962 to \$509,468 for the like period in FY 1963.

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c. There has not only been increased emphasis on the program of annual inspections and contractor reporting on Government Furnished Equipment, but there has been an increase in results obtained in several areas involved, i.e.:

(1) The number of contractors with GFE has increased from 79 on 1 July 1962 to 93 on 1 January 1963.

(2) Approximately 100 percent of these 93 contractors have been requested to submit Property Record Cards and 72 percent have complied. This is an increase of 11 percent from 1 July 1962.

(3) The number of contractors visited for annual inspection of GFE from 1 July 1962 to 1 January 1963 is 23. During the previous six months' period, 14 contractors had been visited.

(4) Approximately 25 percent of the increased total of contractors were visited since 1 July 1962. Out of the 23 contractors with over \$10,000 in GFE, about 55 percent were visited.

(5) Even with the increased number of contractors determined to have GFE by more positive controls, it is planned to again visit approximately 25 percent of contractors by 1 July 1963.

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d. In connection with the revision, by replacement, of our older R&D Base Contracts, the following presents the current status:

(1) Six old R&D Base Contracts were replaced between the period 1 July 1962 and 31 December 1962.

(2) The above number represents approximately 22 percent of the total R&D Base Contracts more than three years old. However, of the number remaining it is doubtful that six will be replaced because of inactivity thereunder. In consideration of this, approximately 22 old R&D Base Contracts will require replacement.

(3) It is anticipated that this total number will be replaced by the end of fiscal year 1963.

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e. This Division began work on the implementation of this objective, but as it did so, it became evident that there were several other administrative matters in this category dealing with contracts and that the contemplated "uniform instructions" should be expanded to include those items. This is now in progress and will be completed and implemented well before the end of fiscal year 1963.

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f. (1) The Procurement Handbook was the subject of several meetings with the office of the Deputy Director (Support) and after minor revisions was concurred in by [redacted]

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(2) It was then disseminated by that office to the several other offices having an interest in it for coordination. So far this has resulted in two meetings with TSD for discussion and negotiation of some of the factors. Substantial agreement has been reached but another meeting is scheduled for the near future at which it is anticipated their concurrence may be obtained. A meeting was held with NPIC for discussion and we were told that NPIC would advise the DD/I that they concurred. Meetings with other components who have raised questions are yet to be held.

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g. The implementation of the Contractor Evaluation Program is in progress. Contractors whose names begin with A, B, and C have been evaluated and the results disseminated to the interested components. Most of the information required on Contractors in the D, E, and F category is on hand and these will soon be evaluated. Evaluations will continue until all contractors have been considered. Reactions to this program received from technical components concerned have uniformly indicated its usefulness to them as well as to Logistics.

2. The following new objectives have been initiated:

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a. To perform a study of the procedures used by DOD in the price analysis of cost proposals for contracts and to establish and apply more precise and refined methods of price analysis to Procurement Division contracts. The study phase of this objective is well under way.

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*PLW*  
b. To analyze the educational background of the present professional personnel of Procurement Division and to strongly urge and encourage additional off-duty registration in courses beneficial to performance of the individual's present duties and to increase his potential. This program has begun and a number of personnel have already registered for the term beginning in February or will do so in the immediate future.

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